

Exhibit 5

CONFIDENTIAL

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CONFIDENTIAL - SIMON WILSON-TAYLOR
UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

In re: :
: Master File No.
Global Brokerage, Inc. : 1:17-cv-00916-RA
F/k/a FXCM, Inc. :
Securities Litigation :
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REMOTE VIDEO DEPOSITION OF:

SIMON WILSON-TAYLOR

WEDNESDAY, JUNE 2, 2021

REPORTED BY:

SILVIA P. WAGE, CCR, CRR, RPR

JOB NO. 4577008

CONFIDENTIAL

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| <p style="text-align: right;">Page 62</p> <p>1 CONFIDENTIAL - SIMON WILSON-TAYLOR</p> <p>2 Q. Welcome back, Mr. Wilson-Taylor.</p> <p>3 I'm going to pick up around where we</p> <p>4 left off. This is Paragraph 33, looking at the</p> <p>5 end of the paragraph on Page 13. So let me know</p> <p>6 when you're there.</p> <p>7 A. Yep.</p> <p>8 Q. So, at the end of this paragraph, you</p> <p>9 describe "a nonbank liquidity provider that may</p> <p>10 customize its services to the needs of the single</p> <p>11 FX broker who might be its largest or only</p> <p>12 client."</p> <p>13 Do you see that?</p> <p>14 A. I do.</p> <p>15 Q. Was Effex an example of "a nonbank</p> <p>16 liquidity provider that customized its services</p> <p>17 for the needs of a single FX broker," namely,</p> <p>18 FXCM?</p> <p>19 A. I, certainly, had, you know, included</p> <p>20 Effex in my thinking around the opportunity in</p> <p>21 the market, yes.</p> <p>22 Q. And was it your understanding that</p> <p>23 FXCM was Effex's largest client?</p> <p>24 A. Certainly initially, yes. I'm not</p> <p>25 sure how it played out later but...</p> | <p style="text-align: right;">Page 64</p> <p>1 CONFIDENTIAL - SIMON WILSON-TAYLOR</p> <p>2 their services to the types of liquidity that</p> <p>3 they receive in the market. Even ECNs themselves</p> <p>4 customize pools of liquidity for individual</p> <p>5 customers. So customization, the ability to</p> <p>6 establish very specific trading environments and</p> <p>7 trading pools for customers is an extremely</p> <p>8 important part of the function of these firms,</p> <p>9 yes.</p> <p>10 Q. I appreciate that. But I don't think</p> <p>11 that answered my question, which is...</p> <p>12 Are you aware of any specific</p> <p>13 liquidity providers who customer myself their</p> <p>14 services for the needs of a single FX broker?</p> <p>15 A. You know, I'm not privy to the detail</p> <p>16 of confidential arrangements that exist within</p> <p>17 each of the firms. What I can tell you is the</p> <p>18 same methodology applies to ECNs of which I have</p> <p>19 managed three and in each case we very much</p> <p>20 customize our liquidity to the needs of those</p> <p>21 customers and it's the same process so, yes.</p> <p>22 Q. But the answer is, no, you're not</p> <p>23 aware of any specific liquidity providers who</p> <p>24 customized their services for the needs of a</p> <p>25 single FX broker?</p> |
| <p style="text-align: right;">Page 63</p> <p>1 CONFIDENTIAL - SIMON WILSON-TAYLOR</p> <p>2 Q. And -- sorry, I don't mean to cut you</p> <p>3 off.</p> <p>4 Was it your understanding that at</p> <p>5 times FXCM was Effex's only client?</p> <p>6 A. Yes, in the sense that as I</p> <p>7 understand it, FXCM was Effex's first client and,</p> <p>8 therefore, by definition would have been their</p> <p>9 only client, yes.</p> <p>10 Q. Are you aware of any other liquidity</p> <p>11 providers who customized their services to the</p> <p>12 needs of a single FX broker that was their</p> <p>13 largest or only client?</p> <p>14 A. I am, certainly, aware of the</p> <p>15 formation of a number of independent and nonbank</p> <p>16 liquidity providers and I have no doubt that when</p> <p>17 they started they would have had a single client.</p> <p>18 So I think, yes, I am aware of that.</p> <p>19 Q. Are you aware of any specific</p> <p>20 liquidity providers who customized their services</p> <p>21 for the needs of a single FX broker?</p> <p>22 A. They -- well...</p> <p>23 The general advantage of a nimble</p> <p>24 small initially maybe even well-funded startup in</p> <p>25 the FX space is that they are able to customize</p> | <p style="text-align: right;">Page 65</p> <p>1 CONFIDENTIAL - SIMON WILSON-TAYLOR</p> <p>2 A. No, because I have not worked for</p> <p>3 those firms and I'm not aware of the confidential</p> <p>4 details of how they operate.</p> <p>5 Q. On same page, Page 13/Paragraph 34,</p> <p>6 subparagraph b, you say that, "In a no dealing</p> <p>7 desk model, the broker's profitability generally</p> <p>8 does not depend on the subsequent price</p> <p>9 increase."</p> <p>10 Do you see that?</p> <p>11 A. I do.</p> <p>12 Q. Other than the margin risk, which you</p> <p>13 describe in Footnote 42, are there other examples</p> <p>14 of when you're aware -- sorry.</p> <p>15 Are there other examples that you are</p> <p>16 aware of when a broker's profitability may depend</p> <p>17 in part on subsequent pricing?</p> <p>18 A. Not when the broker is acting as an</p> <p>19 agent in trade, no.</p> <p>20 Q. Other than the margin risk that you</p> <p>21 describe in the footnote, are there other</p> <p>22 examples that you are aware of when a broker</p> <p>23 using a no dealing desk model is exposed to</p> <p>24 market risk?</p> <p>25 A. I'm not -- I can't think of any</p> |

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